

## GENERAL FUND REVENUE ESTIMATES FOR FY/06

General Fund revenues for FY/06 are expected to increase 3.9% to \$422.4 million with \$8.25 million in non-recurring receipts. This represents an increase of \$16 million above the current estimate of FY/05 revenues (\$29.3 million above the FY/05 approved budget). Fourteen million dollars of this increase is due to the Gross Receipts tax (GRT). Total GRT revenues increase by 4.8%, but much of this growth is due to the large increase in the public safety quarter cent tax as it moves to a full year. Not including the quarter cent, the growth rate in GRT is only 3.9%. The GRT recurring growth rate is only 3.6%. This occurs as non-recurring revenues were adjusted upward to reflect one-time GRT receipts from large highway projects (particularly the Coors/I-40 interchange).

Local taxes other than gross receipts are about \$1.5 million above the estimated FY/05 revenues. Property tax revenues are expected to increase by 4% or \$1 million, due to growth, increased valuation as allowed under yield control and an accounting change that adds 1% to account for the expenditure for administrative charges to Bernalillo County. Franchise tax revenues are flat, as electric rates have a rate reduction and there are continued declines in telephone franchise. This is offset by small gains in cable. Natural gas is expected to remain at high levels for another year. Payments in lieu of taxes (PILOT) are expected to increase about \$500 thousand. This occurs from growth in enterprise funds and the inclusion of the public safety quarter cent tax in the PILOT calculation. For this budget the Water Utility Authority franchise is continued as a PILOT. Growth is limited, and only occurs because FY/05 was low due to unusually wet weather.

Intergovernmental assistance other than State-shared gross receipts tax revenues decreases by

\$210 thousand with loss of one-time revenues of \$120 thousand from FEMA grants for the Bosque fire and one-time payments for county shared revenues. Other shared revenues for gasoline, motor vehicle excise, and cigarette tax are expected to remain flat.

Charges for services show an increase of \$587 thousand, led by \$400 thousand for the opening of the Balloon Museum. Legal charges to Risk Management are also expected to increase by \$100 thousand. The remaining categories are basically flat.

Charges for internal services remain flat as the City has reduced its direct provision of office services, building alterations, and surveying and engineering inspections to lower levels that will be maintained by staff. Indirect overhead decreases by \$271 thousand due to changes in rates calculations. Revenue for CIP funded positions increases by \$581 thousand. The increases include \$328 thousand for streets, increases for parks design, and cultural special projects. Inter-fund transfers are expected to decline by \$15 thousand. Changes include a decrease of \$115 thousand due to the Water Utility Authority's decision to phase out the funding of environmental service personnel involved in monitoring water pollution. This is offset by a \$102 thousand increase to fund operations of the DWI seizure program.

Finally interest earnings increase \$300 thousand due to higher interest rates. Fees and fines are up \$34 thousand, as the Red Light Ordinance is expected to increase revenues by \$120 thousand (which covers additional APD costs) and air quality fines decrease from the one-time increases associated with the introduction of the dust ordinance.